



CONNECTICUT ASSOCIATION FOR
HEALTHCARE AT HOME™

TESTIMONY

Delivered by Deborah R. Hoyt, President and CEO
The Connecticut Association for Healthcare at Home

Human Services Committee
Public Hearing February 5, 2015

SUPPORT: HB 5814 AN ACT CONCERNING A STUDY OF MEDICAID HOME HEALTH RATES

SUPPORT: HB 5827 AN ACT CONCERNING MEDICAID FUNDED HOME HEALTH CARE

Good afternoon Senator Moore, Representative Abercrombie and honorable members of the Human Services Committee. My name is Deborah Hoyt, President and CEO of the Connecticut Association for Healthcare at Home.

The Association represents 62 licensed home health and hospice agencies that foster cost-effective, person-centered healthcare for the Connecticut's Medicaid population in the setting they prefer most – their own homes.

Home health agencies are major employers with a growing workforce and an “on-the-ground army” of approximately 17,500 home health care workers. We ensure that chronic conditions of the Medicaid frail elderly, disabled, and homebound are managed and their healthcare is coordinated across the provider continuum.

The Association and our member agencies collaborate closely with the Department of Social Services (DSS) and is a critical component of the solution to achieving the State's Long Term Care goals of Aging in Place and rebalancing through the Money Follows the Person (MFP) Program.

Medicaid home health care provided through our licensed agencies *is* the cost effective means of delivering care and achieving significant cost savings to the state's annual budget.

An analysis of DSS's own data proves it.

Based on the CT Home Care Program for Elders Annual Report to the Legislature for State Fiscal years 2009-2013:

- ✓ **DSS reported a savings of \$533.5 million** in Medicaid savings directly attributable to the utilization of home and community based services.
- ✓ **Cost cutting measures and belt tightening by home care agencies resulted in a decrease in DSS monthly home health expenditures.** Over the 5-year period, the monthly DSS expenditure for home health services in the CT Home Care Program for Elders decreased by over 30%.



- ✓ In state Fiscal Years 2009 – 2013, the **Department of Social Service's Medicaid expenses per client per month was reduced** under the Elders program from \$474 per month to \$362 per month - an overall DSS budget savings of 23.2% over 5 years (\$83.9 million to \$64.5 million).
- ✓ Additionally, **overall DSS payments to home health agencies declined significantly at the same time the provider's caseload increased** by 5%, meaning home care agencies are working harder, yet more cost-efficiently (17,788 to 18,670).

The value and return on investment of Connecticut's licensed home health agencies to DSS, the Medicaid program, and to the State budget is unparalleled. We're on track to save DSS more than a million dollars again this year under the Home and Community Based Services Waiver program alone.

We understand that you, as legislators and stewards of the state budget, are not in a position this year to provide home health agencies with an across-the-board Medicaid reimbursement rate increase.

However, the state **cannot** afford to lose this provider sector which is directly responsible for saving the state \$533.5 million over the past 5 years.

Connecticut home health agencies are at the breaking point. DSS's own data proves that it is worth investing in the viability and survival of these agency providers. Several of you may recall in the early 2000's that the legislature worked hard to establish a reinvestment account to fund the future stability of these agencies from the millions in savings that they achieved for the state. Regrettably, a few years ago that investment account was closed as it didn't receive a penny of funding.

We are coming to you not to beg for funding, but to sit with us to discuss creative new ideas. A reinvestment account potentially funded through federal dollars available in the Money Follows the Person (MFP) budget might be a viable place to start.

Remember, Medicaid reimbursement only covers approximately 60 cents on the dollar of a home care agency's costs to provide care to these state clients. And the number of these clients and the complexity of their health needs are growing. Home health agencies have done their share. They have tightened their belts in terms of efficiency, complied with new regulations and laws requiring minimum wage and employer health benefits, and kept up with an 11.4% cost of living increase without an increase in Medicaid reimbursement until just this January 1, 2015 of 1%.